**MINUTES**
**of the**
**SECOND MEETING**
**of the**
**LEGISLATIVE HEALTH AND HUMAN SERVICES COMMITTEE**

**July 24-25, 2006**
**State Capitol, Room 307**
**Santa Fe**
**July 26, 2006**
**Santa Fe Community College**
**Santa Fe**

The second meeting of the Legislative Health and Human Services Committee (LHHS) for the 2006 interim was called to order by Representative Danice Picraux, chair, on Monday, July 24, 2006, at 9:10 a.m. in Room 307 of the State Capitol in Santa Fe.

**Present**
Rep. Danice Picraux, Chair
Sen. Dede Feldman, Vice Chair
Sen. Rod Adair (7/24, 25)
Rep. William "Ed" Boykin
Rep. Keith J. Gardner (7/25)
Sen. Steve Komadina
Sen. Mary Kay Papen
Rep. Jim R. Trujillo

**Absent**

**Advisory Members**
Sen. Sue Wilson Beffort (7/25, 26)
Rep. Ray Begaye (7/25, 26)
Rep. Gail Chasey (7/24)
Rep. Miguel P. Garcia
Rep. John A. Heaton
Sen. Gay G. Kernan
Sen. Linda M. Lopez
Rep. Antonio Lujan
Rep. Rick Miera (7/24, 26)
Sen. Gerald Ortiz y Pino
Sen. Nancy Rodriguez (7/24, 25)
Rep. Edward C. Sandoval
Rep. Luciano "Lucky" Varela
Rep. Gloria C. Vaughn

Sen. Clinton D. Harden, Jr.
Sen. Timothy Z. Jennings
Rep. James Roger Madalena
Rep. Terry T. Marquardt
Sen. Leonard Tsosie

(Attendance dates are noted for those members not present for the entire meeting.)

**Staff**

Jennie Lusk
Raul E. Burciaga
Tim Crawford
Ramona Schmidt

**Guests**
The guest list is in the meeting file.

Copies of all handouts and written testimony are in the meeting file.

**Monday, July 24**

**Investing in Balance: Health Reform in New Mexico**

Secretary Michelle Lujan Grisham, Department of Health (DOH), addressed health care reform in New Mexico and improving health and providing the right providers at the right time. Secretary Grisham noted that prevention reduces the need for direct care but does not remove it entirely. Other areas addressed involving prevention or treatment included: access to care; access to dental care for children; primary care professional shortage areas; improvements in access; access to insurance; quality of care; improvements in quality; investing in balance with Kids First Initiative; Carrera Model; public health infrastructure; and continuing partnerships with local entities to provide the right investments for the right services. She stated there is a need to make Tdap (for tetanus with pertussis booster) and HPV (to prevent cervical cancer) immunizations available to adolescents.

Committee members raised questions concerning early intervention for children exposed to traumatic experiences and the relationship between trauma and the vast majority of behavioral health problems such as alcoholism, substance abuse, depression and suicide; the most cost-effective, efficacious ways of providing public health services; developmentally disabled populations and sufficient money to serve that population; case management and self-directed waivers; school-based health centers; fitness programs for youth in schools; use of infrastructure currently in schools to improve the mental and physical health of youth; not just recruiting physicians but finding work opportunities for their spouses; and telemedicine and its impact on the rural areas of the state.

The committee requested that staff from the General Services Department be included in presentations on universal health care.

**Insure NM! and Human Services Department**

Secretary of Human Services Pamela Hyde presented the Human Services Department (HSD) overview and update. She addressed the Medicaid update, including budget projections for fiscal years (FY) 2007 and 2008 and FY 2007 initiatives, including executive initiatives and provider increases. Total expenditures beginning in FY 2004 have been growing at a minimal

rate. Secretary Hyde noted the state general fund has had more increases due to losses in federal funds. She stated challenges include new initiatives in process and complications of projecting enrollment and expenditures; federal changes effective July 1; and how FY 2008 will be even more difficult to project due to "things in play". She noted that good news includes no supplements or deficiencies since 2003, despite federal reductions and cleanup of tens of millions dollars of prior year expenses; the lowest amount of carryover of prior year expenses projected into FY 2006 of only $1.9 million; FY 2007 is a small increase over FY 2006; FY 2008 is a small decrease over FY 2007; and the result is approximately the same FMAP for FY 2007 and FY 2008.

Secretary Hyde reviewed initiatives for children, including targeting an additional 20,000 to 25,000 enrollees (children and parents under 30 percent of the federal poverty level by the end of FY 2007), and benefit changes. She reviewed initiatives for adults and some children including: an increase in eligibility for pregnant women; a self-directed waiver; ensuring $15.6 million in general fund dollars be spent on D&E waiver services and Mi Via waiver services for D&E waiver individuals; ensuring $1.3 million in tobacco settlement funds be spent on breast and cervical cancer services; allowing hospice while on other programs; increasing preventive dental office benefits for individuals with developmental disabilities to two times per year; adding telemedicine benefits; changing case management and life skills for behavioral health into comprehensive community support services; and exploring long-term care service changes with the Aging and Long-Term Services Department (ALTSD), DOH, stakeholders and vendors. Topics also reviewed included: provider rate increases; provider rate increase principles; the federal Deficit Reduction Act (DRA) involving Medicaid, TANF and child support enforcement; Income Support Division field office staffing challenges; general assistance; food stamps; LIHEAP state and federal funding; and information technology issues.

Discussion occurred regarding the federal government's requirement for proof of citizenship; federal limitations on what food stamps may be used for and the possibility of waivers to broaden their use; the burden placed on the poor through the DRA; and the challenge of staffing and turnover regarding case management within the HSD.

**Aging and Long-Term Services Department**

Secretary Debbie Armstrong, ALTSD, spoke to the committee regarding reforming the long-term care system. She stated the principles for reform include a preference for home and community-based services, self-determination at all levels and access to information and infrastructure. The systems change initiatives include a real choice systems change grant, an aging and disability resource center grant, a Robert Wood Johnson Foundation cash and counseling grant, a system transformation change grant and coordinated long-term care. The self-directed waiver will be administered jointly by ALTSD, DOH and HSD. The system transformation grant includes improved access to long-term support services, a comprehensive quality management system and transformation of information technology to support systems change. Secretary Armstrong reviewed the Aging and Disability Resource Center information, including a web-enabled social services resource directory.

Committee members addressed issues including under- or over-utilization, waiver eligibility, the financial impact of the Medicaid Part D Program, monitoring, oversight of the guardianship program, adult protection services and the ombudsman program.

**Public Comment**

Dr. Pat Larragoite stated he would like to present before the committee a more comprehensive update on oral health. The dental residency program at UNM has been successful and there is hope to expand it to include a pediatric dental residency program.

**Children, Youth and Families Department (CYFD)**

Secretary-Designate Dorian Dodson spoke to the committee regarding health care reform: FY06 initiatives and activities; Medicaid coverage to age 21 for youth in foster care and independent living; and an overview of CYFD health care prevention initiatives, including home visiting and reducing methamphetamine use. Secretary-Designate Dodson noted the department is as much a consumer as it is a provider. She stated CYFD is in partnership with all of the behavioral health purchasing collaborative agencies. New approaches for the behavioral health system include a transformation grant; children's core services agencies; children's comprehensive community support services; family/youth peer specialists; early childhood mental health services; functional family therapy and a multisystemic therapy update; Chafee Medicaid expansion proposal; and CYFD prevention initiative home visiting. She addressed CYFD's response to the methamphetamine epidemic.

Committee members addressed issues including the juvenile justice system, a holistic approach for therapy, home visitation for new mothers and programs run through ValueOptions.

**Autoclosure of Medicaid Cases**

Kim Posich, executive director for the New Mexico Center on Law and Poverty, addressed the problems that have been caused by the HSD's autoclosure of Medicaid cases, including the loss of continuity of care. He stated that since autoclosure was put in place, about 60,000 fewer people and 20,000 fewer children have Medicaid despite the outreach by HSD. Gail Evans, legal director, stated justification used by the HSD for the policy of automatic closure of Medicaid cases included a federal audit. However, information from the audit was from a different time period and the audit had little to do with financial eligibility or the three issues related to autoclosure, according to center representatives. Ms. Evans noted there have been problems related to individuals not being notified, resulting in closures of cases. She related a number of reasons why this may be occurring, including a lack of caseworkers and too many cases. Ms. Evans stated the numbers from the HSD support this information. The committee was asked for its support in ending the autoclosure policy.

A committee member stated a joint memorial had been introduced last session to end the policy and had passed the House but did not clear the Senate due to lack of time.

Committee members raised issues, including: the effect of the autoclosure policy on the MCO for reimbursement of benefits; whether the department can work with advocates to address concerns; and whether autoclosure or six-month recertification is problematic.

Ms. Evans asserted that the autoclosure policy violates federal law and regulation. Mr. Posich asked the committee to write a letter to Governor Richardson asking HSD to rescind autoclosure and, until that occurs, to resume tracking the impact of autoclosure. He also asked the committee to send a letter to Secretary Hyde tracking the impact of autoclosure. Representative Trujillo made a motion to send letters, and Senator Feldman seconded the motion. A vote on the motion was called with 10 in the affirmative and three in the negative and the motion passed.

Senator Komadina stated it would be helpful if the committee had actual documentation when voting on a motion and would still like to request a copy of the lawsuit. Mr. Burciaga will access the lawsuit for the pleasure of the committee.

**Public Comment**

No public comment.

The meeting recessed at 5:08 p.m.

**Tuesday, July 25**

Representative Picraux reconvened the meeting at 9:15 a.m.

**Models for New Mexico**

Secretary Hyde presented the health insurance coverage models for New Mexico. She noted last week the governor announced a five-point plan that builds on recommendations by the Insure New Mexico! Council. There are immediate steps and long-term solutions. Governor Richardson's five-point plan includes:

1. requiring state vendors to offer health insurance for their employees;
2. ensuring state employees are insured;
3. maximizing Medicaid for low-income adults;
4. expanding the State Coverage Insurance (SCI) Program; and
5. analyzing health coverage models for New Mexico.

Secretary Hyde said the results from Insure New Mexico! are building blocks for the governor's five-point plan. She reviewed the goals of Insure New Mexico!, which included reducing the number of uninsured in New Mexico, especially children, and to increase the number of small businesses offering employer-sponsored insurance and maintaining retention of insurance coverage. The Insure New Mexico! solutions include SCI, the Small Employer Insurance Program, the New Mexico Health Insurance Alliance, the New Mexico Medical

Insurance Pool, the Premium Assistance Program and Medicaid initiatives. Secretary Hyde reviewed the SCI benefit package and the numbers enrolled; the Small Employer Insurance Program; the New Mexico Health Insurance Alliance activity; the New Mexico Medical Insurance Pool; the Premium Assistance Program goals; Medicaid; the action plan for FY07; and the pending recommendations.

Secretary Hyde reviewed other state's models of health insurance coverage and shared common elements among all states. These elements include:

- maximizing Medicaid for low- and middle-income families;
- helping small employers (under 50 employees);
- subsidizing premiums for moderate income families and individuals;
- creating a state-defined health plan or benefits;
- a crowd-out to preserve the commercial market;
- the use of the commercial market for plan administration or insurance offering;
- strong state role in subsidies;
- uncompensated care funds or taxes; and
- mandates.

Secretary Hyde noted there are some models that no states have introduced. She stated New Mexico starts with the following:

- much higher uninsured rates;
- more families at lower federal poverty levels;
- generally lower Medicaid maximization;
- less state infrastructure;
- more small employers; and
- a higher proportion of existing health care expenditures by government.

Secretary Hyde stated that Ruby Ann Esquibel has outlined Massachusetts' recent plan, Maine's DirigoChoice, Maryland, Illinois All Kids Program, the Michigan First Healthcare Plan and the Vermont Catamount Health as informational resources for the committee members.

Committee members raised issues concerning existing or new waivers, how many employers are taking up the SCI Program, clarification of individuals enrolling in SCI through UNM or MCOs; the underwriting criteria for the high-risk pool and its use as a cost containment mechanism; the profile of uninsured New Mexicans; the cash employment economy that exists in New Mexico for many workers; and current funding for uncompensated care.

**Wisconsin Proposal**

The Wisconsin Health Care Partnership Plan (WHCPP) was presented by Senator Russell Decker from Wisconsin. It was noted this proposal is a labor/management partnership solution to the health care crisis. Senator Decker noted that the legislature is controlled by Republicans although the governor is a Democrat. Labor has been a strong supporter of the proposed plan but businesses are beginning to come on board.

Senator Decker noted that the patchwork, fragmented health care system has failed. He stated the United States pays more for health care than other countries with unified plans but the United States is not as healthy. America ranks low in life expectancy after birth and one out of six Americans has no health insurance. He shared the high cost of Wisconsin's uninsured and noted that the insured must absorb costs of the uninsured. Senator Decker noted the expensive health care in Wisconsin costs the state good jobs. Wisconsin has the second highest cost for health care in the United States. The vicious, upward spiral of cost shifting as the cost of insurance goes up causes employers to cut health benefits. The cut leads to more uninsured and underinsured who seek uncompensated care in emergency rooms. The cost for their care is shifted to payers, people with health insurance and their employers. In Wisconsin, residents need health care and dental care. Senator Decker reviewed some of the different ways Wisconsin has addressed funding for health care costs. He stated one-third of Wisconsin legislators are willing to take this issue on, one-third are not sure what to do and one-third feel that the free market should be allowed to address the issue.

Senator Decker reviewed the proposed WHCPP, which is a unified system of comprehensive affordable care that builds on the tradition of employer-based access to health care. He stated Wisconsin has a Patients Compensation Fund that requires all physicians practicing in Wisconsin to pay in and positively impact the cost of health care. Senator Decker reviewed the following aspects of WHCPP:

- all workers and their dependents, both in the private and public sector in Wisconsin, would be covered;
- anyone not covered by the WHCPP, Medicare or Medicaid could buy into the WHCPP at cost (in a separate community-rated pool);
- all medically necessary care and prescription drugs are included except for vision and long-term care benefits, which may be added later;
- the cost of the WHCPP is split between employers and employees;
- the employee fair share is paid in deductibles and co-pays;
- the employer share is a flat monthly fee per worker, paid into a central fund;
- the employer monthly fee is estimated at less than $300 per month (based on 2003 costs) and includes a 50 percent reduction in fees paid by employers for part-time workers and low-wage workers in small businesses;
- legislation would establish a Labor-Management Oversight Commission to determine details of the plan, put out bids for administration, determine fee schedules and modify plan, fees and charges as necessary; and
- streamlined administration, a single risk pool, bulk-buying power to reduce the cost of prescription drugs, public accountability and high-quality health care delivery and a dramatic reduction in the number of uninsured (Wisconsin's uninsured population would be cut from 650,000 to less than 85,000).

Senator Decker noted the bill was not passed during the past session due to lack of time, but if he and Republican Representative Terry Musser, as co-sponsors, are both re-elected, they will reintroduce the bill during the next session.

Discussion occurred regarding costs of health care being driven by technological competition, the services provided to tribes in Wisconsin and the employment rate within the state.

**Public Comment**

Discussion was opened to the public, which included questions on substance abuse within Wisconsin and the 85,000 individuals not included in the plan, which include self-employed individuals who would choose not to be part of the plan. In response to audience questions, Senator Decker noted that:

- cost estimates were gathered by the Levin Group out of Chicago;
- physicians to date have not been active although they would like to be involved along with other providers to address compensation;
- businesses and religious organizations throughout the state are involved and have given input; and
- medical malpractice rates.

Ana Hatanaka Otero commented on a problem that could occur if organizations that wish to contract with the state are required to provide health care. She noted some nonprofit employers cannot afford to provide health care to their employees and asked that nonprofit agencies be adequately represented on the health care task force. Jim Jackson, executive director of New Mexico Protection and Advocacy, clarified there is a reimbursement rate that is set by providers that is not necessarily based on specific cost incurred; it is a flat rate that providers are paid and does not reflect the actual cost.

**New Mexico Insurance**

Mike Batte, chief life and health actuary, Insurance Division, presented the Health Care Access and Affordability Conference Committee report addressing the Massachusetts plan. Mr. Batte suggested that the threat of losing $385 million in federal funds was related to passage of the Massachusetts reform bill.

The reforms put in place in Massachusetts include the Commonwealth Health Insurance Connector, which is the central mechanism to connect individuals and small businesses with health insurance products. The connector certifies and offers products of high value and good quality, making it easier for small businesses to give their employees the opportunity to buy health insurance with pretax dollars. An authority will be set up under the Executive Office for Administration and Finance. Individuals and businesses with 50 or fewer employees will be eligible to connect to coverage. Employed individuals may purchase health insurance with pretax dollars through the connector.

Mr. Batte reviewed the insurance market and included such issues as a dysfunctional individual market, limited take up on HSAs, an "any willing provider" market, bad value for younger adults, no consequences for lifestyle choices, hard cutoffs for dependents and a growing

list of mandates. Mr. Batte stated that subsidized health insurance includes the Commonwealth Care Health Insurance Program, which is a new program through the connector for individuals who are below 300 percent of the federal poverty level and who are not eligible for Medicaid, and the Insurance Partnership Program, which is an expansion of the existing program from 200 percent of the federal poverty level to 300 percent.

Committee members raised questions regarding whether there is anything special within the Massachusetts plan that would help to design a plan for New Mexico, the effect of the cost of malpractice insurance within the United States versus other countries, if any of the models looked at making the patients consumers rather than users of health care, insurance term definitions and personal responsibility.

**Committee Discussion**

Representative Picraux listed some of the issues that may need to be addressed by the committee when looking at health care coverage, including mandating coverage, the governor's plan and the impact of an increasingly aging population.

Committee members stated they would like to see what the governor's plan entails because it will affect legislators in January. Discussion occurred regarding review of the first four points of the governor's plan. Issues discussed by the committee included preventive care and the status of prevention programs, public health, expansion of Medicaid, the cost of health care, the not-for-profits, the premium assistance program, urban Indian issues, telemedicine (including mental health), incentives for healthy lifestyles, individual catastrophic health care costs and managed care/Salud contracts. Concern was raised that the committee tends to focus on spending more money on Medicaid rather than looking at other alternatives. Senator Komadina shared cost-saving data related to breast feeding as an example of healthy behavior.

The meeting recessed at 4:47 p.m.

**Wednesday, July 26**

Santa Fe Community College (SFCC) Board member Linda Siegle and SFCC Board Chair Carole Brito welcomed committee members to the SFCC campus. Ms. Siegle introduced Dr. Sheila Ortego, who will serve as president of SFCC beginning August 1. President Ortego welcomed committee members to SFCC. She shared the changes and growth occurring on the campus and thanked committee members for their support.

**Behavioral Health**

Peter Cubra, co-chair, Bernalillo County Behavioral Health Services, spoke to the committee regarding behavioral health issues. He spoke about the change by Governor Richardson to carve-out behavioral health from each state agency and combine it into one entity. He expressed concern that the behavioral health purchasing collaborative attempts to manage $350 million

through holding a monthly public meeting and that the care is provided through a private corporation. Mr. Cubra stated he does not feel the structure is working. It has been noted that no one else in America is doing what New Mexico is doing. Mr. Cubra predicted that underfunding will cause this initiative to fail and encouraged committee members to increase funding. Mr. Cubra stated outpatient mental health services are underfunded and noted Lovelace has stopped providing outpatient services. He said the state has set up 13 entities as local collaboratives, but there needs to be clarification on what is expected from these local collaboratives. Currently, there is confusion whether the local collaboratives are to have any real say as they have not been structured to do so. He asked whether it is the intent that Secretary Hyde command all the behavioral health money; effectively she does since she has the largest amount budgeted to behavioral health. He stated there is need for oversight and said ValueOptions cannot be trusted. Mr. Cubra listed the subsidiaries owned by Ronald I. Dozoretz, the owner of ValueOptions. He suggested the state publish critical incident indicator reports from ValueOptions.

Mr. Cubra advocated spending money on treatment rather than using a model backed by the governor and the mayor of Albuquerque to force treatment of individuals with mental health problems who have been locked up in the past several years. Mr. Cubra asked if it would be better to spend money on treating children rather than spending the money on those children through CYFD. He stated there should be a transitional system in place to support individuals when released from treatment. He asked the members to adopt the prerelease benefits approach.

Questions by committee members included: providing context for behavioral health in universal health care; whether to maintain government control in health care or to attempt to privatize; the possibility of using telemedicine for mental health treatment; and solutions for treating incompetent individuals who need a treatment guardian or who are competent and have the right to refuse.

Mr. Cubra was requested to submit his notes for committee members. Concern was raised that there is transparency with ValueOptions. Mr. Cubra stated the New Mexico Medical Review has completed an audit but no information has been released. It was noted the Echo funding should be reviewed by the committee to assist psychiatrists in the rural market. Mr. Cubra was asked to recommend how to assist the local collaboratives. He recommended that a few government employees be assigned to the local collaboratives to make them more effective and command some of the dollars for services to allow a choice in what to fund. It was noted that if strong collaboratives are in place, there could be some autonomy because there could be better knowledge of what that community requires.

There is a need to provide help to people who are a threat to themselves or others. Discussion ensued on case management, the services provided and the government's role in accountability. It was stated that case management is underfunded and is becoming increasingly worse. It was noted that at some point in time many agencies have been involved with mental health that resulted in some duplication of effort, and bringing it together is a monumental chore and is desperately needed. There is a need for development of the kinds of reports to show that money is being spent appropriately and is assisting in providing accountability. Mr. Cubra

asserted that it is crucial to hold private sources accountable for the money spent on mental health treatment and that value is present for the funds spent in the marketplace.

**Public Comment**

Gabriel Palley gave public comment regarding substance abuse and the effect of ValueOptions in treatment of the facilities where he works. He stated that since ValueOptions has taken over, there has been delay in payment, stays have been reduced, as have inpatient services. He stated the annual budget has been reduced and fee-for-service per day has been released. There is no current opiate detox service in Rio Arriba County and individuals are now referred to Turquoise Lodge in Albuquerque, where there is currently a three-month wait. He noted social detox requires individuals to be very stable and individuals with diabetes or high blood pressure do not qualify. The costs in terms of manpower within the hospital are great because individuals working in intensive care units do not want to deal with detox individuals. Mr. Palley stated it appears ValueOptions is attempting to standardize treatment and Mr. Palley is concerned that this may limit the different options required.

**Lovelace Hospital Transition of Behavioral Health Services**

Ron Stern, chief executive officer from Lovelace Health Care System, addressed the committee regarding transition of the Lovelace outpatient behavioral health services and stated it is his intent to find the best transition process to ensure appropriate care. Mr. Stern noted the press raised the closure of Lovelace outpatient behavioral health services. He stated significant funding will be provided to transition this process. In early January, Lovelace conducted a meeting with community leaders, including representatives from LHP, Blue Cross/Blue Shield, Medicaid representatives, ValueOptions representatives, community leaders and physician group representatives. Mr. Stern reviewed various meetings that took place throughout the community and state regarding transition approaches, but said that the physicians and therapists feel the process is inappropriate. UNM officials have stated they do not have the funding to take over the process, Michelle Welby from the Governor's Office and Secretary Hyde have been asked to provide the appropriate process to transition the patients to community providers, as well as a meeting with Mr. Cubra. Mr. Stern noted they went through an elaborate process to communicate with all of the patients in the process. Mr. Stern stated that of 6,600 patients, only 71 were not contacted, 20 were deceased and 30 did not answer the phone. As a health care system, Lovelace has great concern that patients continue to be provided appropriate care to ensure that there is not greater need. He stated a hotline has been in place through the end of June with few calls.

It was noted that of the 42 Lovelace providers, all but one remained in New Mexico. Committee members stated that the transition was handled in a very ethical way and Lovelace went above and beyond the call of duty when it was realized it was unable to provide the kind of service required.

**Human Services Department Behavioral Health**

Secretary Hyde stated that she and Mr. Cubra have agreed on much, including a need for more funding. She clarified that every behavioral health collaborative meeting is a public meeting where information is distributed but the department is not able to keep all data on the web as the data may constantly change and there is not enough staff to enter the information. Secretary Hyde noted Value Options behavioral health is a unique public policy initiative to address fragmentation and increase quality of services and consumer outcomes. The collaborative is more than just common purchasing through a statewide entity and is more than just the ValueOptions contract. She shared the statutory duties of the behavioral health collaborative. She reviewed the following problems with the collaborative:

- often insufficient and inappropriate services and a lack of attention to evidence-based practices;
- a lack of common agreement about desired goals and outcomes;
- multiple disconnected advisory groups and processes;
- not maximizing resources across funding streams, especially Medicaid;
- multiple contracts for providers for similar services and populations, with different rates and billing mechanisms;
- insufficient or duplicative oversight of providers and services with little attention to quality or capacity;
- fragmentation; and
- duplication of effort and infrastructure at state and local levels.

Secretary Hyde noted the vision is quality behavioral health care that promotes recovery and resiliency. She reviewed the statutory members, the new departments and entities since 2004 working with the collaborative, the collaborative structure, where they are to date, the phases and expectations, what has happened so far, the Transforming Behavioral Health in New Mexico newsletters, the local collaborative priorities and preliminary statewide legislative priorities. She stated the administration is proposing a transfer of the Behavioral Health Services Division from DOH to HSD with legislative authority and budget transfer. Secretary Hyde shared how the collaborative effort is being evaluated qualitatively and quantitatively and tying shifting dollars to shifting outcomes. She drew committee members' attention to preliminary reports discussing the consumers served and amounts paid, comments and grievances, claims summaries and appeals.

She noted that as more information is produced, more people want this information and policy issues are now being identified from the data being gathered. There is a public forum process and the legislative process. The Albuquerque meeting on mandatory treatment is August 31 at the YDI Wool Warehouse facility, 516 First Street NW in Albuquerque.

Committee members raised issues concerning licensing for providers and whether that is a new requirement of the collaboratives, clarification on ValueOptions setting rates, the progress of the local collaboratives in identifying their priorities, the cross-training between departments and staff on behavioral health, clarification on administrative fees, substance abuse needs, flat budget requests as opposed to what funds are actually needed, identification of resources and

needs, providing services as needed when coming out of incarceration and a community-wide approach.

Secretary Hyde was thanked for her thoroughness and attention to getting information to the committee members when requested. Secretary Hyde, in turn, thanked Lesley Tremaine and Matt Onstott for their hard work and dedication in this area.

Mark Weber, analyst, Legislative Finance Committee (LFC), reviewed what the LFC is working on now and shared financial information regarding the ValueOptions contract in preparation of the FY08 budget. He stated LFC is working closely with the agency and contractor and noted there are some questions that need to be answered in more detail to tie the contractor to the services. Mr. Weber stated that in some of the performance measures, it remains to be seen whether patients are actually improving. He stated LFC is attempting to work with the clinicians closest to the programs to develop better performance measures for FY08. Mr. Weber stated to date it is difficult to clearly see who is responsible for some of the areas, but with the new division that is being proposed, performance measures should be appointed for the target areas.

Mr. Weber introduced Charles Sallee, LFC performance auditor, to brief the committee in terms of the LFC review. Mr. Sallee stated the three main objectives are review of effectiveness and efficiency; the implementation and status of moving toward a single entity; and evaluation of performance criteria.

Committee members asked for clarification on the amounts for administrative costs in the contract. Pam Galbraith, ValueOptions, stated the audits will be available at the close of the year to verify administrative costs. The question was raised as to what state government is spending on behavioral health, including federal, state and grant funding. The supposition is $245 million, which is the contract estimate, but includes such services as the in-prison services. The committee was reminded this task is similar to when the Salud! Program was introduced with much unknown regarding ultimate cost. Concern was raised whether there are enough providers to provide the kinds of services needed.

**Public Comment**

Ms. Galbraith addressed the complaint made earlier during the morning's public comment regarding the substance abuse issue. She stated there was a delay in the funding payment last week due to an information glitch. Ms. Galbraith said ValueOptions does request fewer days for inpatient stays because it does not consider every patient "cookie-cutter". She stated ValueOptions believes in community-based services but there will always be a need for acute services. Ms. Galbraith also stated that if there is a funding issue that results in a physician being let go, it is not related to rates but rather to some other issue. She said the agency is not allowed to perform medical detox through telehealth and medical detox is not allowed because of the severe seizures related to alcohol substance abuse.

Arturo Gonzales responded to questions regarding placing the money into facilities and whether there will be enough providers to provide services and stated that in order to answer those questions the state should look at some of the best practice models used in other states, and one is the integration of behavioral health with primary care. He stated telehealth is an important aspect in providing care to the rural areas.

**Adjournment**

Representative Picraux adjourned the meeting at 4:20 p.m.